

## Your Basic Proposal

Target High Potential Basic Stores With

- B1G1F

- Net Pricing Effect Gives us the Pricing Advantage
- Generate Trial to Gain Most Preferred Status
- Penetrate High Volume Stores Only

- Mega Volume Program Modifications

- Stores with 400+ Total Volume
- 6-20% price reduction

- Merchandising with

- Counter Display
- Dump Bin
- Interior Price Call Outs
- Pricing Banner

- Monitor Basic sales before, during and after promotions through wholesalers

-95¢ sell 395¢/lb or less -8800 in section

basic 21 <sup>Group</sup> → Lowest

marl 70 → Lowest

## Your Basic Proposal

High wholesale volume for C/P

- C/P buying down w/ w/off-invoice at wholesale
- buy down at retail

Get finance cut at 400 C/P

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### Basic B1G1F

- Target stores with 100+ Total Carton Per Week Volume
- Make Available for 4 Weeks
- Limited to High Potential Area
- Ratio of Discount to Full Margin Sales must be 70%:30% or greater
- Generate Trial
- Gain Dominant Merchandising and Visibility
- 1842 stores get 175 Deals per week each
- Gives us 50% share of discount business

(Avg 70 CPW)

— actual count by hand

180 Days

rather do  
pulling

Basic B1G1F

too high

15-33%

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Basic B1G1F	
Option 1	
• Targeting Stores Selling 100 Total Cartons/Week	
Store Sells 70% Discount Volume	70 Cartons/Week
Our Goal: Gain 50% Discount Volume	35 Cartons/Week
Total B1G1F Deals Needed	175 Deals/Week
Total Stores Targeted	1824 Stores
Total Deals/Week Needed	319,200 Deals/Week
Total Deals/Month Needed	1.3 Million Deals/Month

15-3370

190,000 Rev/Week/2 wks

Basic B1G1F

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### Basic B1G1F

#### Option 2

##### • Targeting Stores Selling 125 Total Cartons/Week

Store Sells 70% Discount Volume	87.5 Cartons/Week
Our Goal: Gain 50% Discount Volume	44 Cartons/Week
Total B1G1F Deals Needed	220 Deals/Week
Total Stores Targeted	980 Stores
Total Deals/Week Needed	215,600 Deals/Week
Total Deals/Month Needed	862,400 Deals/Month

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### **Basic High Volume Program**

- **Revise Current Mega Program to Include Stores selling 400+ total cartons per week**
  - Buy Down Amount up to \$2.00 Per Carton
  - Meet Competition
- **Limited to High Potential Area**
  - 110 Stores Targeted
- **Guaranty Parity with Lowest Discount Brand**
- **Dominant Visibility and Merchandising Required**
- **Program Represents 61.6 Million Basic Units for Section 36**

## Basic High Volume Program

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ATTACHMENT A

"YOUR BASIC MEET COMP" - MEGA VOLUME

MARCH 1 - APRIL 1 '94	
<u>SECTION</u>	<u>BUDGET</u>
11	\$55,000
12	\$71,500
13	\$82,500
14	\$33,000
Region 1	\$242,000
21	\$91,600
22	\$150,620
23	\$91,988
24	\$68,719
Region 2	\$402,927
31	\$104,283
32	\$135,840
33	\$160,000
35	\$60,000
36	\$0
Region 3	\$460,123
41	\$67,020
42	\$59,070
43	\$112,269
44	\$120,277
45	\$84,469
Region 4	\$443,105
51	\$156,250
52	\$70,000
53	\$48,750
54	\$51,250
Region 5	\$326,250
TOTAL	\$1,874,404

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### Basic Mega Volume Program

• Targeting Stores Selling 400 Total Cartons/Week

Store Sells 70% Discount Volume	280 Cartons/Week
Our Goal: Gain 50% Discount Volume	140 Cartons/Week
Estimate 20¢ off per pack	\$280/Store/Week
Total Stores Targeted	110 Stores
Amount Requested per Week	\$30,800/Week
Amount Requested per Month	\$123,200/Month

## Basic Mega Volume Program

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## Your Basic Footprint

- #1 Discount Positioning
  - Counter
  - Floor
- Dominant Visibility - Your "Basic" Look
  - Interior
  - Exterior
- Opportunity to Develop Previously Un-Tapped Resources
  - Retailers
  - Consumers
- Opportunity to Test the Effectiveness of Programs



## Your Basic Footprint

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